

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO. 16-509
v.	:	DATE FILED: December 13, 2016
JOHN I. WALTMAN	:	VIOLATIONS:
ROBERT P. HOOPES	:	18 U.S.C. § 1956(h) (conspiracy to commit
BERNARD T. RAFFERTY	:	money laundering – 1 count)
	:	18 U.S.C. § 1956(a)(3)
	:	(money laundering – 3 counts)
	:	18 U.S.C. § 2 (aiding and abetting)
	:	Notice of Forfeiture

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

A. The Defendants

1. Defendant JOHN WALTMAN was Magisterial District Judge in Bucks County, Pennsylvania. WALTMAN was elected as a Bucks County Magisterial District Judge in 2011. Bucks County had 20 magisterial district courts comprising 20 judges and approximately 113 judicial clerks. Magisterial District courts were responsible for adjudicating all traffic and non-traffic citations as well as processing criminal and private criminal complaints, including arraignments and preliminary hearings, the handling of civil and landlord tenant complaints up to a jurisdictional limit of \$12,000, and parking violations.

2. Defendant ROBERT HOOPES had been the Director of Public Safety in Lower Southampton, Pennsylvania since February 10, 2016. In this position, HOOPES had authority

over all police, fire, and emergency operations in Lower Southampton Township. HOOPEES previously operated a legal practice in the Doylestown, Pennsylvania area.

3. Defendant BERNARD RAFFERTY had been a Pennsylvania Deputy Constable in Bucks County since about 1998. Under Pennsylvania law, deputy constables were public officials who are appointed by elected constables. Constables and deputy constables were considered law enforcement officers in Pennsylvania and could execute arrest warrants, among other powers. RAFFERTY controlled RAFF'S CONSULTING LLC, a corporation registered with the Pennsylvania Department of State on May 30, 2011.

B. The Financial Institutions

4. Philadelphia Federal Credit Union ("PFCU") was a financial institution engaged in interstate commerce and insured by the National Credit Union Administration.

5. Customers Bank was a financial institution engaged in interstate commerce and insured by the Federal Deposit Insurance Corporation.

THE CONSPIRACY

6. From in or about June 2015 to in or about November 2016, in the Eastern District of Pennsylvania, defendants

**JOHN I. WALTMAN,
ROBERT P. HOOPEES, and
BERNARD T. RAFFERTY,**

conspired and agreed, together and with persons known and unknown to the grand jury, to commit offenses under Title 18, United States Code, Sections 1956(a)(3) and 2, that is, to conduct, attempt to conduct, or aid and abet the conducting of, financial transactions involving property represented to them by undercover law enforcement officers and a cooperating witness ("CW"), working at the direction of federal officials, to be the proceeds of health care fraud,

illegal drug trafficking, and bank fraud, in violation of Title 18, United States Code, Section 1347, Title 21, United States Code, Section 841, and Title 18, United States Code, Section 1344, respectively, with the intent to conceal or disguise the nature, location, source, ownership, and control of property believed to be the proceeds of the specified unlawful activities.

MANNER AND MEANS

It was part of the conspiracy that:

7. Defendants JOHN I. WALTMAN, ROBERT P. HOOPEES, and BERNARD T. RAFFERTY conducted three money laundering transactions, totaling approximately \$400,000 in cash, which undercover law enforcement officers and a CW, working at the direction of federal officials, had represented to defendants WALTMAN, HOOPEES, and RAFFERTY to be the proceeds of health care fraud and illegal drug trafficking. As a result of these three money laundering transactions, defendants WALTMAN, HOOPEES, and RAFFERTY pocketed money laundering fees totaling approximately \$80,000 in cash.

8. To execute each money laundering transaction:

a. Defendant ROBERT P. HOOPEES withdrew funds from his account at Customers Bank and provided the funds for deposit into RAFF's CONSULTING's account at PFCU. Defendant BERNARD T. RAFFERTY then obtained a check drawn on RAFF's CONSULTING's account at PFCU in an amount equal to 80% of the total amount of cash to be laundered for undercover law enforcement officers.

b. Defendants JOHN I. WALTMAN, ROBERT P. HOOPEES, and BERNARD T. RAFFERTY obtained bogus documents – including invoices to RAFF's CONSULTING, non-disclosure agreements, consulting agreements, zoning applications, land

surveys, and other sham documents, all of which provided a pretext for their money laundering – to be provided to undercover law enforcement officers.

c. Defendant ROBERT P. HOOPEES drove an unmarked Lower Southampton Township Police Department car to an office building in Feasterville-Trevose, Pennsylvania, carrying with him the check from RAFF’s CONSULTING and the bogus documents. Undercover law enforcement officers arrived at this office building with a duffel bag full of at least \$100,000 in cash, which defendants WALTMAN, HOOPEES, and RAFFERTY believed to be the proceeds of health care fraud and illegal drug trafficking.

d. Inside the office building, defendant HOOPEES, whose Lower Southampton Township Police Department badge was visible on his belt during at least one money laundering transaction, exchanged the RAFF’s CONSULTING check and the bogus documents for the cash from the undercover law enforcement officers. Meanwhile, defendants JOHN I. WALTMAN and BERNARD T. RAFFERTY waited in defendant RAFFERTY’s car, which was parked outside the office building.

e. After taking this cash from undercover law enforcement officers, defendant ROBERT P. HOOPEES pocketed his agreed share of the money laundering fee. Defendant HOOPEES then walked outside the office building and handed a bag of the remaining cash to defendants JOHN I. WALTMAN and BERNARD T. RAFFERTY.

f. Defendants JOHN I. WALTMAN and BERNARD T. RAFFERTY drove the cash in defendant RAFFERTY’s car to PFCU’s headquarters at 12800 Townsend Road, Philadelphia, Pennsylvania. After defendants WALTMAN and RAFFERTY each pocketed their agreed share of the money laundering fee, defendant RAFFERTY carried the remaining cash into PFCU’s headquarters and deposited it into RAFF’s CONSULTING’s account.

9. In addition, defendants JOHN I. WALTMAN, ROBERT P. HOOPEES, and BERNARD T. RAFFERTY attempted to broker the sale of a bar located in the Feasterville-Treose, Pennsylvania area to undercover law enforcement officers, whom defendants WALTMAN, HOOPEES, and RAFFERTY believed would use the bar to further launder proceeds from health care fraud and illegal drug trafficking. Defendants WALTMAN, HOOPEES, and RAFFERTY required a broker's fee of at least 10% of the bar's sales price.

10. Moreover, defendants JOHN I. WALTMAN, ROBERT P. HOOPEES, and BERNARD T. RAFFERTY planned to obtain a sham default judgment in a Bucks County court and then fraudulently enforce the sham default judgment in order to obtain purported funds represented by undercover law enforcement officers to be bank fraud proceeds that had been frozen in an overseas account. Defendants WALTMAN, HOOPEES, and RAFFERTY required a money laundering fee of one-third of the bank fraud proceeds that they successfully repatriated from overseas to the United States.

All in violation of Title 18, United States Code, 1956(h).

COUNTS TWO THROUGH FOUR

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 5 and 7 through 10 of Count One are incorporated here.
2. Defendants JOHN I. WALTMAN, ROBERT P. HOOPEES, and BERNARD T.

RAFFERTY conducted financial transactions involving property represented to them by undercover law enforcement officers and a cooperating witness (“CW”), working at the direction of federal officials, to be the proceeds of health care fraud and illegal drug trafficking, in violation of Title 18, United States Code, Section 1347, and Title 21, United States Code, Section 841, respectively.

3. On or about the dates set forth below, in the Eastern District of Pennsylvania, defendants

**JOHN I. WALTMAN,
ROBERT P. HOOPEES, and
BERNARD T. RAFFERTY,**

knowingly conducted, attempted to conduct, and aided and abetted the conducting of, the following financial transactions affecting interstate commerce:

COUNT	DATE	DESCRIPTION OF THE TRANSACTION
TWO	June 22, 2016	Defendants WALTMAN, HOOPEES, and RAFFERTY exchanged a check for \$80,000 drawn on RAFF’s CONSULTING’s account at PFCU for \$100,000 in cash, represented to them as proceeds of health care fraud. After taking a money laundering fee of \$20,000 in cash, defendants WALTMAN, HOOPEES, and RAFFERTY deposited \$80,000 in cash into RAFF’s CONSULTING’s account at PFCU.

THREE	July 6, 2016	Defendants WALTMAN, HOOPEES, and RAFFERTY exchanged a check for \$160,000 drawn on RAFF's CONSULTING's account at PFCU for \$200,000 in cash, represented to them as proceeds of health care fraud. After taking a money laundering fee of \$40,000 in cash, defendants WALTMAN, HOOPEES, and RAFFERTY deposited \$160,000 in cash into RAFF's CONSULTING's account at PFCU.
FOUR	August 24, 2016	Defendants WALTMAN, HOOPEES, and RAFFERTY exchanged a check for \$80,000 drawn on RAFF's CONSULTING's account at PFCU for \$100,000 in cash, represented to them as proceeds of illegal drug trafficking. After taking a money laundering fee of \$20,000 in cash, defendants WALTMAN, HOOPEES, and RAFFERTY deposited \$80,000 in cash into RAFF's CONSULTING's account at PFCU.

4. When conducting the financial transactions described in paragraph 3 above, defendants JOHN I. WALTMAN, ROBERT P. HOOPEES, and BERNARD T. RAFFERTY acted with the intent to conceal or disguise the nature, location, source, ownership, and control of property believed to be the proceeds of specified unlawful activities.

All in violation of Title 18, United States Code, Sections 1956(a)(3) and 2.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1956, set forth in this indictment, defendants

**JOHN I. WALTMAN,
ROBERT P. HOOPES, and
BERNARD T. RAFFERTY**

shall forfeit to the United States of America any and all property involved in such offenses, and any property traceable to such property, including, but not limited to, the sum of \$80,000.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant(s):

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other

property of the defendant(s) up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982(a)(1).

A TRUE BILL:

FOREPERSON

ZANE DAVID MEMEGER
United States Attorney